

DEPARTMENT OF ECONOMIC DEVELOPMENT

FINANCIAL SUMMARY

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	FY 2006 REQUEST	GOVERNOR RECOMMENDS FY 2006
Business Development and Trade	\$ 23,751,965	\$ 37,558,801	\$ 43,080,749	\$ 42,815,781
Information Technology	0	0	0	6,616,027
Community Development	40,274,639	41,190,341	41,018,601	45,185,844
Workforce Development	90,419,057	124,271,211	124,271,211	123,601,398
Division of Tourism	14,615,735	17,832,811	17,832,811	17,832,811
Affordable Housing	6,244,822	4,981,667	4,940,942	4,941,304
Financial Institution Safety and Soundness	5,503,363	5,969,837	5,968,705	5,900,917
Utility Regulation	15,398,289	19,431,534	19,430,968	19,535,514
Professional Registration	10,618,178	14,400,472	14,303,454	13,646,842
Administrative Services	6,818,068	11,175,640	11,212,764	6,489,406
DEPARTMENTAL TOTAL	\$ 213,644,116	\$ 276,812,314 *	\$ 282,060,205	\$ 286,565,844
General Revenue Fund	37,004,001	44,195,819	44,338,151	48,334,391
Federal Funds	128,514,544	163,389,259	163,261,784	163,506,782
Other Funds	48,125,571	69,227,236	74,460,270	74,724,671
Full-time equivalent employees	1,276.73	1,466.66	1,465.66	1,465.66

* Does not include \$1,080,000 recommended in the Fiscal Year 2005 Supplemental Appropriations, including \$80,000 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Economic Development supplemental appropriations.

POLICY SUMMARY

Governor Blunt's Fiscal Year 2006 budget provides a total of \$286.6 million for the Department of Economic Development. The Department provides services to Missourians and businesses to facilitate economic success. Core functions provided by the Department of Economic Development include:

- Facilitating location identification, expansion, retention or start-up of businesses to help create and retain high-quality employment opportunities.
- Administering tax credit programs designed to assist with business recruitment and workforce training.
- Oversight and regulation of financial institutions, public utility companies, and 39 professional licensing entities to ensure Missourians receive reliable and safe services.

Promoting Economic Development and Job Creation

Under Governor Blunt, job creation and retention will be a chief focus of state government. Governor Blunt will be hands-on and aggressive in implementing his economic vision for the state and attracting and retaining high-quality, family-supporting jobs. Such an aggressive approach is desperately needed because Missouri has lost tens of thousands of jobs in recent years while other states' economies have rebounded. From 2001 to 2002, Missouri lost more than 50,000 jobs, which was tenth worst in the nation.

The Department of Economic Development will play a key role in turning Missouri's economy around. Missouri has lost jobs to neighboring states because they have tax environments that are more hospitable, regulatory environments that are fairer, schools that are more effective, and safer and better-maintained transportation infrastructure. These states, however, have also gained jobs because their economic development agencies and state governments have done a significantly better job than ours of identifying economic development tools needed to attract and retain businesses and employing those tools in an efficient and effective manner. Governor Blunt will undergo a comprehensive review of Missouri's tax credit programs to ensure that they are accomplishing the desired goals, and that those goals are still relevant in today's fast-moving global economy. Under Governor Blunt, the Department of Economic Development will serve as an innovative, effective, and valued partner with Missouri job creators, resulting in a healthier economy and more high-quality, family-supporting jobs.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
BUSINESS DEVELOPMENT AND TRADE**

FINANCIAL SUMMARY

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	GOVERNOR RECOMMENDS FY 2006
Business Services Programs	\$ 7,106,442	\$ 12,974,862	\$ 18,231,842
Missouri Job Development Fund	8,583,939	8,583,939	8,583,939
Missouri Community College New Jobs Training	8,061,584	16,000,000	16,000,000
TOTAL	\$ 23,751,965	\$ 37,558,801	\$ 42,815,781
PERSONAL SERVICE			
General Revenue Fund	1,232,895	1,502,788	1,424,578
Federal Funds	46,335	219,884	222,083
Department of Economic Development Administrative Fund	0	89,338	90,231
Missouri Job Development Fund	241,418	336,894	340,263
EXPENSE AND EQUIPMENT			
General Revenue Fund	1,895,256	2,178,558	2,018,391
Federal Funds	157	6,974	5,924
Department of Economic Development Administrative Fund	0	25,600	25,308
International Promotions Revolving Fund	37,000	73,988	71,226
Missouri Job Development Fund	54,171	88,389	81,389
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	12,178,299	12,235,375	11,735,375
Federal Funds	0	2,200,000	2,200,000
Department of Economic Development Administrative Fund	0	2,600,000	2,600,000
Missouri Community College Job Training Program Fund	8,061,584	16,000,000	16,000,000
International Promotions Revolving Fund	4,850	1,012	1,012
Missouri Community College Job Retention Training Program	0	0	6,000,000
Juneteenth Heritage and Jazz Festival Fund	0	1	1
TOTAL	\$ 23,751,965	\$ 37,558,801	\$ 42,815,781
General Revenue Fund	15,306,450	15,916,721	15,178,344
Federal Funds	46,492	2,426,858	2,428,007
Department of Economic Development Administrative Fund	0	2,714,938	2,715,539
Missouri Community College Job Training Program Fund	8,061,584	16,000,000	16,000,000
International Promotions Revolving Fund	41,850	75,000	72,238
Missouri Job Development Fund	295,589	425,283	421,652
Missouri Community College Job Retention Training Program	0	0	6,000,000
Juneteenth Heritage and Jazz Festival Fund	0	1	1
Full-time equivalent employees	41.02	54.20	51.70

DEPARTMENT OF ECONOMIC DEVELOPMENT

BUSINESS DEVELOPMENT AND TRADE (Continued)

BUSINESS SERVICES PROGRAMS

Division of Business Development and Trade – The Division of Business Development and Trade works in cooperation with communities to facilitate the location, expansion, or retention of businesses in Missouri in order to create or retain high-quality jobs, increase new private capital investment, and increase the state/local tax base. The division also facilitates the increase of wealth for Missouri businesses by developing and increasing sales opportunities for Missouri products and services through direct marketing opportunities in key foreign markets.

The division facilitates the following: business finance, research and marketing, trade promotion, international relations, business development, and houses the Missouri Film Commission.

Business Finance coordinates all of the business financing tools to assist with the expansion and location of a business in Missouri. Research and Marketing is responsible for the collection and analysis of competitive intelligence, as well as the conversion of data and information into various marketing materials designed to increase Missouri's value as a globally attractive business location. Trade Promotion organizes trade promotion events and provides counseling to companies interested in exporting. International Relations focuses on the integration of international programs throughout the state. Business Development and Trade oversees a series of state programs and networks with other organizations in Missouri to assist technology-based companies, including the Missouri Manufacturing Extension Partnership Program, the Innovation Center Program, and the Missouri Technology Corporation. The Missouri Film Commission promotes Missouri as an attractive location for film, television, video, and cable production projects.

Missouri Development Finance Board – The board administers a range of financing programs for Missouri businesses, local governments, and state agencies. The board issues industrial revenue bonds or notes, provides market rate or low-interest loans and grants to political subdivisions and public infrastructure improvements, and grants tax credits against certain state income taxes in exchange for contributions made to the board.

Fiscal Year 2006 Governor's Recommendations

- \$6,000,000 other funds for implementation of the Job Retention Training Program created by SB 1155 (2004).
- \$20,567 for pay plan, including \$14,106 general revenue.
- (\$351,486) for one-time expenditures.
- (\$272,184) and (one) staff in core reduction from the Fiscal Year 2005 appropriation level.
- (\$104,382) and (1.5) staff reallocated to the Community Development and Administrative Services divisions.
- (\$35,535) reallocated for information technology resources that will be administered by the Office of Administration, including (\$24,431) general revenue.

MISSOURI JOB DEVELOPMENT FUND

The Missouri Job Development Fund allows the state to provide training to new and expanding businesses. Funding is also used to retrain employees of existing businesses to prevent plant shutdowns through both direct training and increasing employee skills.

Fiscal Year 2006 Governor's Recommendations

Continue funding at the current level.

MISSOURI COMMUNITY COLLEGE NEW JOBS TRAINING

Created by Sections 178.892-178.896, RSMo, the Missouri Community College New Jobs Training Program provides an incentive for the creation of new jobs by providing education and training of workers for new or expanding industries by community college districts.

Fiscal Year 2006 Governor's Recommendations

Continue funding at the current level.

INFORMATION TECHNOLOGY

Governor Blunt has ordered that management of state information technology resources be consolidated under the Office of Administration. This should result in enhanced service at a lower cost. For Fiscal Year 2006, information technology resources will be reallocated to a new section within the department's budget that will be under the control of the Office of Administration.

Fiscal Year 2006 Governor's Recommendations

- \$25,550 for pay plan, including \$7,201 general revenue.
- \$6,590,477 and 60.16 staff reallocated from various divisions, including \$798,064 general revenue.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
COMMUNITY DEVELOPMENT**

FINANCIAL SUMMARY

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	GOVERNOR RECOMMENDS FY 2006
Community Development Programs	\$ 39,804,131	\$ 39,685,003	\$ 39,436,849
Main Street Program - Transfer	0	40,590	40,590
Missouri Arts Council	470,508	1,464,748	1,463,405
Missouri Arts Council - Transfer	0	0	3,600,000
Missouri Humanities Council	0	0	45,000
Missouri Humanities Council - Transfer	0	0	600,000
TOTAL	\$ 40,274,639	\$ 41,190,341	\$ 45,185,844
PERSONAL SERVICE			
General Revenue Fund	622,504	936,225	966,932
Federal Funds	696,490	1,007,401	1,017,475
EXPENSE AND EQUIPMENT			
General Revenue Fund	249,327	210,223	214,332
Federal Funds	293,884	851,717	817,716
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	2,364,268	4,506,738	9,246,352
Federal Funds	35,679,549	31,678,035	31,678,035
Missouri Humanities Council Trust Fund	0	0	45,000
Department of Economic Development Administrative Fund	0	250,000	250,000
Youth Opportunities and Violence Prevention Fund	0	250,000	250,000
State Supplemental Downtown Development Fund	0	1	1
State Supplemental Rural Development Fund	0	1	1
Property Reuse Fund	368,617	1,500,000	700,000
TOTAL	\$ 40,274,639	\$ 41,190,341	\$ 45,185,844
General Revenue Fund	3,236,099	5,653,186	10,427,616
Federal Funds	36,669,923	33,537,153	33,513,226
Missouri Humanities Council Trust Fund	0	0	45,000
Department of Economic Development Administrative Fund	0	250,000	250,000
State Supplemental Downtown Development Fund	0	1	1
State Supplemental Rural Development Fund	0	1	1
Youth Opportunities and Violence Prevention Fund	0	250,000	250,000
Property Reuse Fund	368,617	1,500,000	700,000
Full-time equivalent employees	47.69	60.75	61.25

DEPARTMENT OF ECONOMIC DEVELOPMENT

COMMUNITY DEVELOPMENT (Continued)

The mission of the Division of Community Development is to assist Missouri's communities with planned development activities designed to achieve a better quality of life and sustainable economic growth. Businesses will locate where a workforce is available that meets their required level of skill, and educated workers will exercise a choice to locate in communities where they find it appealing to live. A community or neighborhood's quality of life is supported through Community Development programs by encouraging assessment and planning, infrastructure development, the strengthening of non-profit organizations, promoting volunteerism, and funding for infill/redevelopment projects.

COMMUNITY DEVELOPMENT PROGRAMS

Programs within the Community Development Division help communities expand their economic base and improve their quality of life. Grants and tax credits assist local governments, not-for-profits, and developers by providing financing necessary for projects to achieve financial feasibility or projects that target assisting low- and moderate-income families. Typical project activities include housing, infrastructure, facilities, local planning, and direct services to individuals such as life skills, youth programming, and volunteerism. The new Missouri Downtown Economic Stimulus Act Program enables downtown redevelopment by supporting the cost of public infrastructure improvements within the planned redevelopment area. The Missouri Rural Economic Stimulus Act Program provides financing to support renewable fuel production facilities and development facilities.

Fiscal Year 2006 Governor's Recommendations

- \$539,614 for current tax increment financing projects.
- \$16,992 for pay plan, including \$9,575 general revenue.
- \$45,132 and .5 staff reallocated from the Division of Business Development and Trade.
- (\$800,000) other funds core reduction from the Fiscal Year 2005 appropriation level.
- (\$48,406) reallocated for information technology resources that will be administered by the Office of Administration, including (\$18,405) general revenue.
- (\$1,486) for one-time expenditures.

MISSOURI MAIN STREET PROGRAM TRANSFER

Sections 251.470 – 251.485, RSMo, allow for the General Assembly to appropriate funds to the Missouri Main Street Program Fund.

Fiscal Year 2006 Governor's Recommendations

Continue funding at the current level.

MISSOURI ARTS COUNCIL

The Missouri Arts Council (MAC) provides financial assistance to non-profit organizations through grants that encourage growth, development, and appreciation of the arts in Missouri. As both a funding agency and a comptroller, MAC staff is charged with reviewing funding requests, allocating state and federal funds appropriated for arts programs, monitoring the expenditures of those funds, and providing technical and professional assistance to grantees.

A number of programs provided by the MAC stimulate and support the arts. Program assistance is provided in specific arts discipline areas, including dance, media arts, music, theatre, visual arts, arts services, community arts, folk arts, minority arts, touring, mini-grants, and arts education. The Community Arts Program provides support to non-metropolitan, community-based cultural organizations and agencies of local government that offer programs in more than one arts discipline and foster long-term cultural development of a community. The Folk Arts Program supports projects that perpetuate and present the folk arts of the state. The Minority Arts Program focuses on supporting multicultural groups that serve minority communities through grants and technical assistance. The Arts Education Program provides support for Artists-in-Residence, School Touring, Arts in the Curriculum, Professional Development, and Out of School programs. Program assistance awards provide seed money on a matching basis to not-for-profit applicants throughout Missouri.

Fiscal Year 2006 Governor's Recommendations

- \$2,657 federal funds for pay plan.
- (\$4,000) federal funds reallocated for information technology resources that will be administered by the Office of Administration.

DEPARTMENT OF ECONOMIC DEVELOPMENT

COMMUNITY DEVELOPMENT (Continued)

MISSOURI ARTS COUNCIL TRANSFER

Section 143.183, RSMo, allows for the transfer of 60 percent of state income tax revenues for nonresident, professional athletes and entertainers to the Missouri Arts Council Trust Fund.

Fiscal Year 2006 Governor's Recommendations

- \$3,600,000 transferred to the Missouri Arts Council Trust Fund pursuant to Section 143.183, RSMo.

MISSOURI HUMANITIES COUNCIL

The Missouri Humanities Council (MHC) is the state affiliate of the National Endowment for the Humanities. The MHC's mission is to help citizens of Missouri learn about our history, literature, and the ideas that shape our democracy. MHC programs help communities understand and celebrate a shared history and assist local institutions in developing the capacity to engage the public in lifelong learning activities. The MHC also provides on-site consulting to help local museums and cultural institutions organize ideas.

Fiscal Year 2006 Governor's Recommendations

- \$45,000 other funds for Missouri Humanities Council projects sponsored by local heritage institutions and organizations.

MISSOURI HUMANITIES COUNCIL TRANSFER

Section 143.183, RSMo, allows for the transfer of ten percent of state income tax revenues for nonresident, professional athletes and entertainers to the Missouri Humanities Council Trust Fund.

Fiscal Year 2006 Governor's Recommendations

- \$600,000 transferred to the Missouri Humanities Council Trust Fund pursuant to Section 143.183, RSMo.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
WORKFORCE DEVELOPMENT**

FINANCIAL SUMMARY

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	GOVERNOR RECOMMENDS FY 2006
Workforce Development Administration	\$ 19,167,504	\$ 24,206,939	\$ 23,917,749
Workforce Programs	71,012,180	99,787,961	99,409,961
Women's Council	55,613	60,311	57,688
Special Employment Security Fund	183,760	216,000	216,000
TOTAL	\$ 90,419,057	\$ 124,271,211	\$ 123,601,398
PERSONAL SERVICE			
General Revenue Fund	37,417	6,200	6,262
Federal Funds	14,390,241	19,475,442	19,617,219
Child Support Enforcement Collections Fund	141,792	178,812	180,600
EXPENSE AND EQUIPMENT			
General Revenue Fund	18,196	85,019	85,019
Federal Funds	4,472,368	7,278,796	6,465,356
Child Support Enforcement Collections Fund	18,955	18,955	18,955
Special Employment Security Fund	183,760	216,000	216,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	1,369,684	1,900,544	1,900,544
Federal Funds	69,433,263	94,741,260	94,741,260
Child Support Enforcement Collections Fund	353,381	370,183	370,183
TOTAL	\$ 90,419,057	\$ 124,271,211	\$ 123,601,398
General Revenue Fund	1,425,297	1,991,763	1,991,825
Federal Funds	88,295,872	121,495,498	120,823,835
Child Support Enforcement Collections Fund	514,128	567,950	569,738
Special Employment Security Fund	183,760	216,000	216,000
Full-time equivalent employees	461.68	560.72	559.72

DEPARTMENT OF ECONOMIC DEVELOPMENT

WORKFORCE DEVELOPMENT (Continued)

The Division of Workforce Development provides a well-balanced employment and training system, giving Missourians the opportunity to achieve their full career and employment potential through high-quality programs. Missouri employers also benefit from a more competitive and better-trained workforce. The Job Service (i.e., Wagner-Peyser) Program offers a network of services delivered in a customer-focused environment to help people find and retain employment. Services include provision of labor market information, career counseling, testing, and job readiness training. Job Service also assists employers in meeting their employment needs by referring qualified workers for job openings and providing information to help plan for future workforce needs. The Job Service Program is federally funded and administered by the Division of Workforce Development. These funds are targeted toward all Missourians who are changing careers, looking for their first job, unemployed, economically disadvantaged, school dropouts, and dislocated workers.

WORKFORCE DEVELOPMENT ADMINISTRATION

Workforce Investment Act funds, along with federal Job Service Program funds, are administered by the Division of Workforce Development. These funds are targeted toward the economically disadvantaged, Temporary Assistance for Needy Families' recipients, school dropouts, and dislocated workers.

Fiscal Year 2006 Governor's Recommendations

- \$195,721 federal and other funds for pay plan.
- (\$484,911) federal funds and (one) staff reallocated for information technology resources that will be administered by the Office of Administration.

WORKFORCE PROGRAMS

The mission of the federal Workforce Investment Act Program is to serve Missourians by providing training and employment opportunities; establishing a flexible, coordinated, and decentralized training system; and coordinating these programs with other employment and training-related programs. The employment and training programs offered on a statewide basis include: Workforce Investment Act programs, Trade Adjustment Assistance Program, North American Free Trade Agreement programs, Rapid Response Worker programs, Temporary Assistance for Needy Families Program, Missouri Employment and Training Program, and Parent's Fair Share Program. Individuals who meet eligibility requirements for the programs may access services to make them more competitive in the workforce. Historically, the Division of Workforce Development, along with local workforce investment areas, have provided a full range of services authorized under the Workforce Investment Act which are designed to prepare individuals with barriers to employment for the workforce. Services include referral to job openings, job readiness skills training, referral to classroom or employer training, as well as payment of support services such as transportation. The Missouri Training and Employment Council provides direction to the Division of Workforce Development on policies and procedures to ensure that local workforce investment area programs comply with Workforce Investment Act financial and program requirements.

Fiscal Year 2006 Governor's Recommendations

- (\$378,000) federal funds reallocated for information technology resources that will be administered by the Office of Administration.

WOMEN'S COUNCIL

Through its meetings, staff support, and other activities, the Missouri Women's Council addresses the issues of expanding women's opportunities through education and training programs. The council works to increase occupational mobility in lower- and middle-employment levels, provides access to jobs with higher skill and managerial duties, promotes small business opportunities, and provides access to non-traditional skills through apprenticeships and vocational training. The council also prepares an annual state needs assessment to identify problem geographic areas; establishes long- and short-term goal statements; inventories current federal, state, local, and private programs relating to women's economic needs; and prepares plans to address those problem areas.

Fiscal Year 2006 Governor's Recommendations

- \$358 for pay plan, including \$62 general revenue.
- (\$2,981) federal funds reallocated for information technology resources that will be administered by the Office of Administration.

SPECIAL EMPLOYMENT SECURITY FUND

The Special Employment Security Fund is derived from interest and penalties collected under the provisions of the Missouri Employment Security Law. Expenditures from this fund are made in accordance with Section 288.310, RSMo, the Employment Security Law.

Fiscal Year 2006 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ECONOMIC DEVELOPMENT

TOURISM

The Division of Tourism promotes Missouri's tourist destinations and attractions with multi-media campaigns and direct marketing, a web site, vacation guides, public relations efforts, and a cooperative marketing program. The Division of Tourism also operates six tourism welcome centers located at key entry points near the state's borders. Beginning in Fiscal Year 1995, the division has been funded with a portion of the growth in tax revenues on tourism oriented goods and services.

Fiscal Year 2006 Governor's Recommendations

Continue funding at the current level.

AFFORDABLE HOUSING

Missouri Housing Development Commission – The Missouri Housing Development Commission (MHDC) was established in 1969 to assist in the creation of housing for low- and moderate-income people of Missouri. Section 215.020, RSMo, states: "There is hereby created and established as a governmental instrumentality of the State of Missouri the Missouri Housing Development Commission which shall constitute a body corporate and public."

The MHDC generates affordable rental housing through a variety of funding sources, including its own fund balances, the state's allocation of federal funds, its authority to issue tax-exempt and taxable bonds, and state and federal housing tax credits. The MHDC offers programs for qualified first-time homebuyers, as well as funds for home repairs to aid in the prevention of homelessness.

Manufactured Housing Program – The Manufactured Housing Program resides within the Public Service Commission. The program is responsible for overseeing the annual registration of dealers and manufacturers of manufactured homes and modular units, prescribing and enforcing uniform construction and safety standards by conducting code inspections, addressing consumer complaints, and enforcing set-up and tie-down requirements. There are 173 registered manufacturers and 296 registered manufactured housing dealers operating in Missouri. Modular unit sales have more than doubled during the past year. Modular units include residential homes, commercial and industrial units, and modular unit classrooms.

Fiscal Year 2006 Governor's Recommendations

- \$3,362 other funds for pay plan.
- (\$40,725) other funds for one-time expenditures.
- (\$3,000) other funds reallocated for information technology resources that will be administered by the Office of Administration.

FINANCIAL INSTITUTION SAFETY AND SOUNDNESS

Division of Credit Unions – The Division of Credit Unions is statutorily responsible for the examination, supervision, and regulation of all state-chartered credit unions to determine the financial condition and management practices of each credit union and to correct unsound practices or violation of law or regulation.

Division of Finance – The Division of Finance has regulatory oversight authority of activities involving state-chartered banks, trust companies, savings and loan associations, and residential mortgage brokers. The division is responsible for licensing and examining various consumer credit outlets including payday lenders, title loan companies, premium finance companies, and sales finance operations for compliance with the laws concerning truth-in-lending, disclosures, rates, fees, insurance, and refunding. The division also licenses money order companies and receives/resolves complaints about consumer credit transactions.

Fiscal Year 2006 Governor's Recommendations

- \$49,194 other funds for pay plan.
- (\$116,982) other funds and (one) staff reallocated for information technology resources that will be administered by the Office of Administration.
- (\$1,132) other funds transferred to the statewide leasing budget.

DEPARTMENT OF ECONOMIC DEVELOPMENT

UTILITY REGULATION

Office of Public Counsel – The Office of the Public Counsel is the state's consumer advocate involved in matters of utility ratemaking and regulation. Attorneys and technical staff analyze utility rate cases and provide testimony and cross-examination in hearings held before the Public Service Commission (PSC). The Public Counsel also has the right to appeal PSC cases through the court system.

Public Service Commission – The PSC regulates the rates, finances, safety, and quality of service of private, investor-owned telephone, gas, electric, water and sewer utilities, and the safety of rural electric cooperatives and municipal gas systems. The commission is divided into six sections: executive, adjudication, administration, general counsel, utility operations, and utility services. Additionally, the Missouri PSC oversees the administration of the Relay Missouri service in the state. Relay Missouri provides deaf, hard-of-hearing, and speech-impaired citizens access to the telephone network and is funded through a monthly, per-line surcharge.

The Executive Section includes the five commissioners, who are appointed by the Governor with advice and consent of the Senate. The commission's statutory responsibilities include hearing cases and issuing reports and orders. The section also includes an executive director -- the PSC's chief operations officer responsible for the overall administrative functions and the policy direction of the staff, the public information and education department, and the legislative coordinator. The public information and education department develops and distributes press and consumer information on current PSC activities, develops educational pieces for distribution, maintains the PSC Reports, and deals with other media requests. The legislative coordinator is the PSC's primary liaison with the Missouri General Assembly and also assists with education and consumer relation activities.

The Adjudication Section is the PSC's quasi-judicial section. A staff of eight regulatory law judges handles the cases from filing to resolution. The judges preside over hearings; rule on objections and motions; and draft all orders, as directed by the commission, for a particular case. The Adjudication Section also contains the commission's data center. This section accepts all pleadings, tariffs, and other case-related documents; issues the certified orders of the commission; and maintains the permanent case files of the commission.

The Administration Section is responsible for managing the commission's fiscal, personnel, and information resources. This section oversees budget development, strategic planning, budget and fiscal services, procurement, staff services, consumer services, human resources, payroll, information services, and training functions for the agency. The consumer services unit receives, investigates, and responds to consumer complaints to ensure compliance with commission rules and regulations and utility company tariffs.

The Office of General Counsel represents the commission and staff in all matters relating to Missouri utility regulation. Its duties consist of assisting and advising agency staff in the preparation and filing of evidence in legal proceedings and preparing and presenting legal arguments in appearances before the commission, state and federal courts, and administrative tribunals. The office provides legal defense of all commission orders or decisions and also legal advice, upon request, to the commission and each commissioner. As directed or authorized by the commission, the office intervenes in utility-related proceedings and prosecutes civil enforcement actions against utilities on behalf of the state, representing the commission pursuant to PSC statutes or other laws.

The Utility Operations Section is comprised of four units: telecommunications, energy, water and sewer, and manufactured housing. It supports the commission in meeting its statutory responsibilities by providing technical expertise in energy safety, utility rates, tariffs, rules and regulations, economic analysis, engineering oversight and investigations, and construction inspections. The section accomplishes its mission by making recommendations to the commission in the form of expert testimony and formal recommendations.

The Utility Services Section consists of five units that support the commission by providing expertise in the areas of utility accounting, auditing, engineering, finance, management, and natural gas procurement. Section members audit, examine, analyze, and/or review the books and records of the utilities providing service to Missouri. These employees express their conclusions and findings in the form of expert testimony and recommendations filed with the commission. The section is also responsible for investigating and responding to consumer complaints and making recommendations to the commission regarding their resolution.

Fiscal Year 2006 Governor's Recommendations

- \$104,996 for pay plan, including \$6,419 general revenue.
- (\$566) other funds transferred to the statewide leasing budget.
- (\$450) reallocated for information technology resources that will be administered by the Office of Administration.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
PROFESSIONAL REGISTRATION**

FINANCIAL SUMMARY

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	GOVERNOR RECOMMENDS FY 2006
Administration	\$ 3,785,747	\$ 4,993,814	\$ 4,388,013
State Board of Accountancy	363,744	438,546	430,075
State Board of Architects, Engineers, and Land Surveyors	559,312	740,781	718,797
State Board of Barber Examiners	21,612	39,271	38,871
State Board of Chiropractic Examiners	78,331	151,052	150,052
State Board of Cosmetology	235,959	259,418	254,418
Missouri Dental Board	450,628	603,214	602,604
State Board of Embalmers and Funeral Directors	71,366	149,634	142,434
State Board of Registration for the Healing Arts	2,035,249	2,517,394	2,422,129
State Board of Nursing	1,132,745	1,860,220	1,849,490
State Board of Optometry	26,545	42,604	42,054
State Board of Pharmacy	906,059	1,310,961	1,313,481
State Board of Podiatric Medicine	10,721	21,681	20,681
Missouri Real Estate Commission	892,345	1,160,786	1,164,147
Missouri Veterinary Medical Board	47,815	111,096	109,596
TOTAL	\$ 10,618,178	\$ 14,400,472	\$ 13,646,842
PERSONAL SERVICE			
Board Funds	4,158,317	4,860,131	5,022,682
Professional Registration Fees Fund	2,612,320	3,015,799	2,766,908
EXPENSE AND EQUIPMENT			
Board Funds	2,674,114	4,546,527	4,236,147
Professional Registration Fees Fund	1,173,427	1,978,015	1,621,105
TOTAL	\$ 10,618,178	\$ 14,400,472	\$ 13,646,842
Board Funds	6,832,431	9,406,658	9,258,829
Professional Registration Fees Fund	3,785,747	4,993,814	4,388,013
Full-time equivalent employees	225.24	225.60	219.60

DEPARTMENT OF ECONOMIC DEVELOPMENT

PROFESSIONAL REGISTRATION (Continued)

The Division of Professional Registration provides administrative support services to the 39 licensing entities (boards, commissions, committees, offices, and councils) that have been statutorily assigned to the division. The mission of the division is to serve and protect the public by providing an accessible, responsible, and accountable regulatory system to ensure that Missouri consumers benefit from competent practitioners. Each licensing entity licenses qualified professionals by ensuring that minimum requirements have been met. In addition, each entity must also appropriately enforce standards through the inspection of facilities and the investigation of complaints.

Fiscal Year 2006 Governor's Recommendations

ADMINISTRATION

- \$27,397 other funds for pay plan.
- (\$633,198) other funds and (six) staff reallocated for information technology resources that will be administered by the Office of Administration.

STATE BOARD OF ACCOUNTANCY

- \$2,529 other funds for pay plan.
- (\$11,000) other funds reallocated for information technology resources that will be administered by the Office of Administration.

STATE BOARD OF ARCHITECTS, PROFESSIONAL ENGINEERS, AND LAND SURVEYORS

- \$3,405 other funds for pay plan.
- (\$25,389) other funds reallocated for information technology resources that will be administered by the Office of Administration.

STATE BOARD OF BARBER EXAMINERS

- (\$400) other funds reallocated for information technology resources that will be administered by the Office of Administration.

STATE BOARD OF CHIROPRACTIC EXAMINERS

- (\$1,000) other funds reallocated for information technology resources that will be administered by the Office of Administration.

STATE BOARD OF COSMETOLOGY

- (\$5,000) other funds reallocated for information technology resources that will be administered by the Office of Administration.

MISSOURI DENTAL BOARD

- \$2,016 other funds for attorney fees and expenses.
- \$3,374 other funds for pay plan.
- (\$6,000) other funds reallocated for information technology resources that will be administered by the Office of Administration.

STATE BOARD OF EMBALMERS AND FUNERAL DIRECTORS

- (\$7,200) other funds reallocated for information technology resources that will be administered by the Office of Administration.

STATE BOARD OF REGISTRATION FOR THE HEALING ARTS

- \$12,000 other funds for attorney fees and expenses.
- \$16,274 other funds for pay plan.
- (\$111,034) other funds core reduction from the Fiscal Year 2005 appropriation level.
- (\$12,505) other funds reallocated for information technology resources that will be administered by the Office of Administration.

DEPARTMENT OF ECONOMIC DEVELOPMENT

PROFESSIONAL REGISTRATION (Continued)

STATE BOARD OF NURSING

- \$9,270 other funds for pay plan.
- (\$20,000) other funds reallocated for information technology resources that will be administered by the Office of Administration.

STATE BOARD OF OPTOMETRY

- (\$550) other funds reallocated for information technology resources that will be administered by the Office of Administration.

STATE BOARD OF PHARMACY

- \$6,520 other funds for pay plan.
- (\$4,000) other funds reallocated for information technology resources that will be administered by the Office of Administration.

STATE BOARD OF PODIATRIC MEDICINE

- (\$1,000) other funds reallocated for information technology resources that will be administered by the Office of Administration.

MISSOURI REAL ESTATE COMMISSION

- \$8,361 other funds for pay plan.
- (\$5,000) other funds reallocated for information technology resources that will be administered by the Office of Administration.

MISSOURI VETERINARY MEDICAL BOARD

- (\$1,500) other funds reallocated for information technology resources that will be administered by the Office of Administration.

ADMINISTRATIVE SERVICES

The Administrative Services Division provides direction and guidance to the department. Through policy development, legislative coordination, communications (public information) and research, the efforts of the divisions are aligned toward achieving improved performance for its customers.

The Administrative Services Division also provides centralized support services, including establishment and maintenance of financial systems, management information systems, personnel functions, budget and planning, and mail services. Administrative Services also provides legal assistance, facilities management, and telecommunications services for divisions within the department.

Fiscal Year 2006 Governor's Recommendations

- \$46,412 for pay plan, including \$8,877 general revenue.
- \$59,250 and one staff reallocated from the Division of Business Development and Trade.
- (\$4,769,770) and (52.16) staff reallocated for information technology resources that will be administered by the Office of Administration, including (\$754,778) general revenue.
- (\$14,000) for one-time expenditures.
- (\$8,126) transferred to the statewide leasing budget.